

**Performance Committee
Ohio Board of Regents
Minutes of the Meeting of December 16, 1999**

The meeting of the Performance Committee of the Ohio Board of Regents was held in the main conference room of the Regents' offices in Columbus, Ohio. In attendance were the following:

Ohio Board of Regents members:

Jeanette Grasselli Brown, Committee Chair
Tahlman Krumm
Gerald Miller
Ralph Schey

Ohio Board of Regents staff:

Roderick Chu, Chancellor
Matthew Filipic, Senior Vice Chancellor
Richard Petrick, Vice Chancellor for Finance
Kristina Frost, Director of Operations
Deborah Gavlik, Director of Budgets & Resource Planning
Harold Horton, Director of Information Systems & Research
Neal McNally, Administrator for Financial Analysis
Robert Sheehan, HEI Project Director

Guests:

Robert P. Burke, Association of Independent Colleges & Universities of Ohio
Ginny Hamilton, Shawnee State University/Ohio Faculty Council
Jim Johnson, Sinclair Community College/Ohio Faculty Senate
Jim McCollum, Inter-University Council
Jessica Poprocki, Association of Independent Colleges & Universities of Ohio
Randi Malcolm Thomas, Miami University
Terry Thomas, Ohio Association of Community Colleges

The meeting was called to order by Regent Brown. The minutes of the previous meeting were approved without objection.

After briefly outlining the meeting agenda, Senior Vice Chancellor Filipic commented on Senate Bill 6, which was established by the 122nd General Assembly as a legislative effort to create more oversight of campus finances. Senior Vice Chancellor Filipic said that he had received a phone call earlier that morning from a reporter at the Youngstown *Vindicator*, who had called to inquire about Youngstown State University's long-term plan to increase its reserve funds so that YSU could improve its financial standing. Senior Vice Chancellor Filipic had previously been unaware of YSU's plan and phoned G.L. Mears, the University's vice president for finance, who confirmed that YSU is committed to shifting \$800,000 of operating funds each year to its reserve funds. Senior Vice Chancellor Filipic asserted that this is exactly the type of behavior the legislature had hoped would result from the passage of Senate Bill 6. Senior Vice Chancellor Filipic said that YSU should be congratulated for this effort, especially since the University's president, Leslie Cochran, is retiring but is nonetheless concerned with YSU's financial standing. Senior Vice Chancellor Filipic concluded that Senate Bill 6 is an effective measure of fiscal improvement. The composite scores calculated as a result of Senate Bill 6 are good examples of effective performance measurement and draw decision-makers' attention to important aspects of

institutional financial reports and provide them with a basis for judging the meaning of the data in those reports. As a result, trustees are able to make more informed and better decisions about their institutions' finances.

Governor's request for a higher education report card

Senior Vice Chancellor Filipic identified two elements needed to meet Governor Taft's request for a higher education report card: (1) establishing a process used to create the report, and (2) determining what substantive information should be included in the report. Senior Vice Chancellor Filipic noted campus concerns that if done incorrectly, the report card could unfairly portray the performance of certain institutions. Senior Vice Chancellor Filipic said that although campuses are not resisting this effort, campus officials do want to ensure that it is done in a manner that recognizes the differences in institutional missions among campuses. Senior Vice Chancellor Filipic suggested that benchmarks be identified so that campuses can be compared with peer institutions from within and outside of Ohio, for both urban and residential campuses. Senior Vice Chancellor Filipic said that it would be necessary to hold conversations with campus representatives at several different levels, including the presidents. Senior Vice Chancellor Filipic also noted that the IUC and OACC have been examining this issue closely and that it would be beneficial to integrate their efforts into the process. Senior Vice Chancellor Filipic suggested that the process to create the report card should involve a discussion with presidents, a broad-based consultation, perhaps in March 2000, a series of meetings with a working group of campus representatives, leading to a draft report next summer.

Turning the Committee's attention to the substance of the report card, Senior Vice Chancellor Filipic asserted that in addition to providing mission-sensitive data on retention and graduation rates, the report card is an opportunity to provide useful information to prospective students and their parents on such topics as the first year experience, including section sizes, faculty assigned to first-year classes, and how well first-year students perform and progress. Senior Vice Chancellor Filipic noted that information on student performance would likely be tied directly to tuition prices, as is the case at Miami University where the relatively higher tuition costs provide more funds for introductory coursework, which in turn may result in higher student success rates. Senior Vice Chancellor Filipic noted that despite the Ohio Supreme Court's concern for confidentiality of individual bar exam results, we should expect to see a report card for Ohio's law schools since the media has embraced the issue of bar exam passage rates. It was noted that Regent Adams had affirmed that this be part of the report at the November Committee meeting. Regent Brown said that the declining market for lawyers should be included in such a report and suggested that the law profession itself be asked to provide its insight on the issue. Senior Vice Chancellor Filipic agreed, stating that the focus should be on how practicing lawyers perform. Jim McCollum asserted that attorneys that pass the bar but choose not to practice law should not be viewed as having failed. Kris Frost agreed but said that practicing law and litigating are often two separate professions. Suggesting that it may be possible to compare Ohio bar exam results with those of other states, Senior Vice Chancellor Filipic referenced the multi-state portion of the bar exam, which is common for all states and is processed by ACT. And though using data from ACT's multi-state portion of the bar would improve the analysis, Senior Vice Chancellor Filipic noted that otherwise the lack of data on students who graduate from Ohio law schools but seek bar passage elsewhere could distort a report card for Ohio's law schools.

Senior Vice Chancellor Filipic referenced studies based on data from the early 1970's that concluded that too many people with baccalaureate degrees had caused wages for college-educated workers to decline. According to Senior Vice Chancellor Filipic, however, since the 1970's, the opposite of this has been true, as wage premiums for educated workers have increased. Senior Vice Chancellor Filipic said that metropolitan areas that have grown economically tend to have been strong in high tech industries as a result of two common factors: the presence of strong research institutions and a broadly-educated workforce. Senior Vice Chancellor Filipic cited a Milken Institute study that developed a measure of regional strength in high technology that combined the size of the high technology sector and the fraction of the total economy devoted to high technology. Based on that measure, there are no Ohio cities in the top 50 in technology, even though there are four in the top 50 in population. A study published by Case Western Reserve University at about the same time showed a strong correlation between metropolitan economic growth in the 1980's and 1990's and the fraction of the adult population with baccalaureate degrees. Ohio had none of the best-educated metropolitan areas, but we had two near the bottom (Toledo and Youngstown). Regent Schey suggested finding ways to track how college graduates perform in the workplace and cited a survey used by the Harvard University Business School as an example. Chancellor Chu asserted that Harvard's survey is intended to track alumni-giving and that Harvard probably wouldn't be able to produce a useful report card based on such data. Regent Schey said he believes that the dramatic decline of investments in risk capital is the primary reason why Ohio is no longer an economic leader, as it once was during the Industrial Revolution. Regent Miller cautioned against creating an overly complex report card and suggested disaggregating the information into three separate reports with three separate audiences in mind: (1) the taxpayers, (2) the state legislature, and (3) students and their parents. Regent Miller suggested that the same information feed each report card but that each one portray different sets of data. Regent Miller questioned whether the Board of Regents or campuses themselves are better suited to produce report cards, suggesting that campuses would be better able to frame report cards in a way that is consistent with varying institutional missions. Speaking as a parent, Senior Vice Chancellor Filipic asserted that parents are primarily concerned with allowing their children to have a challenging, rewarding, and enjoyable college experience that results in characteristics of an educated person, which the job market is rewarding. Jim Johnson raised the issue of individual learning plans (ILPs) that allow students to pursue individual goals. Because of the high cost involved with ILPs, Mr. Johnson acknowledged that very few institutions have embraced this approach but asserted that such a curriculum works best for nontraditional students. Chancellor Chu stated that quality should be a key component of the report card and that if quality is successfully measured, campuses will become more focused on creating, improving and maintaining quality programs. Addressing the issue of who should prepare the report card, Senior Vice Chancellor Filipic noted that campuses almost always portray themselves favorably in institutionally-prepared materials, which is why independent reports such as *U.S. News & World Report's* college rankings are so popular. Chancellor Chu suggested three key perspectives in need of consideration when creating the report card: (1) a public policy perspective, (2) an institutional preservation perspective, and (3) a consumer (i.e., student) perspective. Jim Johnson cautioned against using the term *consumer* to refer to students because if students view themselves as consumers, they could argue that payment of tuition warrants passing grades regardless of classroom performance. Regent Miller asked if Governor Taft provided a timeframe for when the report card should be completed. Senior Vice Chancellor Filipic responded that

although the Governor did not establish a timeframe it is important that the Board move ahead with deliberate speed but to take as long as necessary to produce a useful report, and later establish a timeline for subsequent report cards. Emphasizing the importance of recognizing different institutional missions, Jim McCollum assured the Committee that the IUC would work with the Board in creating the report card. Terry Thomas asked the Committee to be sensitive to the limited capacity of smaller schools but said that the OACC would work with the Board.

Report on meeting with ACT

Senior Vice Chancellor Filipic directed the Committee's attention to his and Rob Sheehan's recent trip to Iowa City to meet with members of the ACT staff. Because it is limited and lacks key contextual information, Senior Vice Chancellor Filipic stated that the Board cannot rely solely on HEI data. Consequently, Senior Vice Chancellor Filipic and Dr. Sheehan visited ACT to explore areas of mutual interest and possible collaboration. In particular, Dr. Sheehan stated that the meeting was intended to create opportunities that would allow OBR to join collaborative efforts between campuses and ACT, a strategy ACT is interested in pursuing. Collaboration could benefit campuses as well, since many now provide separate reports to ACT to permit ACT to develop analyses that correlate ACT scores with decisions of students to enroll and their ability to persist successfully. The use of ACT data could also help illuminate the differences in the types of students served by different institutions, thereby providing the kind of context that campuses desire in any reports of graduation and retention rates. Noting that the Governor is open to this strategy, Dr. Sheehan said that ACT is ahead of Ohio in terms of identifying performance indicators. Regent Miller questioned whether OBR has an adequate amount of data on student profiles. Senior Vice Chancellor Filipic said that in addition to test scores, ACT maintains data on such topics as students' interests and high school experiences. Dr. Sheehan stated that ACT scores represent an accurate indicator of initial college success and that one goal of working with ACT is to extend this indicator farther into the college experience. Regent Miller suggested that these efforts also attempt to profile factors contributing to student failure.

The meeting was adjourned.